



## ARRA FUNDS APPROVAL –

## DEPARTMENT OF WORKFORCE SERVICES

SOCIAL SERVICES APPROPRIATIONS SUBCOMMITTEE  
STAFF: HECTOR ZUMAETA SANTIAGO

## ISSUE BRIEF

**SUMMARY**

The Legislature expressed interest in reviewing the federal stimulus or *American Reinvestment and Recovery Act* (ARRA) money separate from the annual review of federal funds. This brief fulfills that request. This brief also reviews the \$2,453,745 ARRA money spent in FY 2016 and \$4,000,000 ARRA money previously approved for FY 2017. The Analyst recommends approval of the increase in ARRA funding of \$3,400,000 for FY 2018 as well as the proposed intent language associated with the FY 2018 increase.

**LEGISLATIVE ACTION**

The Executive Appropriations Committee requests that each subcommittee decide whether or not to accept new ARRA funding for FY 2018.

***FY 2018 Increase in ARRA Funding:***

1. The Analyst recommends the Social Services Appropriations Subcommittee approve FY 2018 increased ARRA funds of \$3,400,000 for the Department of Workforce Services.
2. The Analyst recommends the adoption of the intent language starting on page one below for all line items with new FY 2018 ARRA funding in order to comply with federal requirements.

**DISCUSSION AND ANALYSIS*****Limitations on ARRA Spending***

Intent language put the following conditions on all of the money passed in FY 2016 and FY 2017:

*All General Funds appropriated to the Department of Workforce Services – [Administration, Operations and Policy, or Unemployment Insurance] line item are contingent upon expenditures from Federal Funds - American Recovery and Reinvestment Act (H.R. 1, 111th United States Congress) not exceeding amounts appropriated from Federal Funds - American Recovery and Reinvestment Act in all appropriation bills passed for [FY 2016 or FY 2017]. If expenditures in the [Administration, Operations and Policy, or Unemployment Insurance] line item from Federal Funds - American Recovery and Reinvestment Act exceed amounts appropriated to the [Administration, Operations and Policy, or Unemployment Insurance] line item from Federal Funds - American Recovery and Reinvestment Act in [FY 2016 or FY 2017], the Division of Finance shall reduce the General Fund allocations to the [Administration, Operations and Policy, or Unemployment Insurance] line item by one dollar for every one dollar in Federal Funds - American Recovery and Reinvestment Act expenditures that exceed Federal Funds - American Recovery and Reinvestment Act appropriations.*

For FY 2018 the Analyst recommends adoption of the following language for every line item where an increase in ARRA money is anticipated:

*The Legislature intends that the American Recovery and Reinvestment Act appropriation provided for the [Administration, Operations and Policy, and Unemployment Insurance] line item is limited to one-time projects associated with Unemployment Insurance modernization.*

*All General Funds appropriated to the Department of Workforce Services – [Administration, Operations and Policy, or Unemployment Insurance] line item are contingent upon expenditures from Federal Funds - American*

*Recovery and Reinvestment Act (H.R. 1, 111th United States Congress) not exceeding amounts appropriated from Federal Funds - American Recovery and Reinvestment Act in all appropriation bills passed for FY 2018. If expenditures in the [Administration, Operations and Policy, or Unemployment Insurance] line item from Federal Funds - American Recovery and Reinvestment Act exceed amounts appropriated to the [Administration, Operations and Policy, or Unemployment Insurance] line item from Federal Funds - American Recovery and Reinvestment Act in FY 2018, the Division of Finance shall reduce the General Fund allocations to the [Administration, Operations and Policy, or Unemployment Insurance] line item by one dollar for every one dollar in Federal Funds - American Recovery and Reinvestment Act expenditures that exceed Federal Funds - American Recovery and Reinvestment Act appropriations.*

### ***FY 2016 ARRA Funds – Spent vs Approved***

Table 1 shows ARRA money approved compared to ARRA money spent in FY 2016:

ARRA in FY 2016	Approved	Spent	Higher/(Lower) Than Anticipated
Operations and Policy	\$3,037,300	\$1,902,122	(\$1,135,178)
Unemployment Insurance	\$494,300	\$494,300	\$0
Administration	\$68,400	\$57,323	(\$11,077)
<b>Total</b>	<b>\$3,600,000</b>	<b>\$2,453,745</b>	<b>(\$1,146,255)</b>

Table 1

As noted in Table 1, the Department of Workforce Services spent \$1,146,255 less ARRA money than was approved by the Legislature.

### ***FY 2016 Stimulus Funds – How Was the Money Used?***

The money in FY 2016 was used for the following:

1. **Operations and Policy** - \$1,902,122 for Unemployment Insurance modernization projects.
2. **Unemployment Insurance** - \$494,300 for Unemployment Insurance modernization projects.
3. **Administration** - \$57,323 for Unemployment Insurance modernization projects.

### ***FY 2016 and FY 2017 Stimulus (ARRA) Funds - Intent Language Follow Up***

*The Legislature intends that the American Recovery and Reinvestment Act appropriation provided for the Administration line item is limited to one-time projects associated with Unemployment Insurance modernization. (H.B. 7, Items 11 and 36)*

*The Legislature intends that the American Recovery and Reinvestment Act appropriation provided for the Operations and Policy line item is limited to one-time projects associated with Unemployment Insurance modernization. (H.B. 7, Items 12 and 37)*

*The Legislature intends that the American Recovery and Reinvestment Act appropriation provided for the Unemployment Insurance Administration line item is limited to one-time projects associated with Unemployment Insurance modernization. (H.B. 7, Items 14 and 40)*

**Agency Response:** “The department expended appropriated ARRA funding in FY 2016 and FY 2017 only for Unemployment Insurance modernization projects.”

***FY 2017 Stimulus Funds – Previously Approved***

1. **Operations and Policy** - \$3,406,700 for Unemployment Insurance modernization projects.
2. **Unemployment Insurance** - \$517,300 for Unemployment Insurance modernization projects.
3. **Administration** - \$76,000 for Unemployment Insurance modernization projects.

The Department of Workforce Services was previously approved to spend \$4,000,000 ARRA funds for FY 2017 in the line items shown in Table 2:

ARRA in FY 2017	Previously Approved	FY 2017 Total
Operations and Policy	\$3,406,700	\$3,406,700
Unemployment Insurance	\$517,300	\$517,300
Administration	\$76,000	\$76,000
<b>Total</b>	<b>\$4,000,000</b>	<b>\$4,000,000</b>

Table 2

***FY 2018 ARRA Funds –******Requesting Approval***

1. **Operations and Policy** – \$2,643,500 for Unemployment Insurance modernization projects.
2. **Unemployment Insurance** – \$677,400 for Unemployment Insurance modernization projects.
3. **Administration** – \$79,100 for Unemployment Insurance modernization projects.

The Department of Workforce Services requests a total of \$3,400,000 ARRA funds for FY 2018 in the line items shown in Table 3:

ARRA in FY 2018	Request
Operations and Policy	\$2,643,500
Unemployment Insurance	\$677,400
Administration	\$79,100
<b>Total</b>	<b>\$3,400,000</b>

Table 3

***Additional information on all ARRA funds used in Utah***

- [www.recovery.utah.gov](http://www.recovery.utah.gov)
- [www.recovery.gov](http://www.recovery.gov)